FEBRUARY 25th, 2025

CRYPTONAIRE WEEKLY

CRYPTO INVESTMENT JOURNAL

376TH EDITION

LAZARUS GROUP BEHIND THE $1.5 BILLION BYBIT CRYPTO HEIST!

PLATINUM CRYPTO ACADEMY

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EDITORS LETTER

Bitcoin bulls are working hard to hold the $94,000 support level, but sellers continue to dominate the market. The lackluster price action in Bitcoin, combined with growing trade tensions between the US and China and subdued expectations for interest rate cuts by the US Federal Reserve, appears to have dampened investor sentiment. This bearish outlook is reflected in the $1.14 billion worth of outflows from US-based spot Bitcoin ETFs over the past two weeks, according to SoSoValue data. Despite the uncertainty, Michael Saylor's Strategy, formerly MicroStrategy, remains bullish, purchasing 20,356 Bitcoin for $1.99 billion at an average price of $97,514.

Bitcoin is currently trading in a narrow range between $100,000 and $93,388, showing that neither bulls nor bears are willing to take a strong position. The 20-day EMA is slowly sloping downward at $97,067, and the RSI is hovering just below the midpoint, giving no clear edge to either side. If sellers manage to push the price below $93,388, Bitcoin could drop toward the crucial support level at $90,000. This level is significant because a breakdown below it would complete a bearish double-top pattern, potentially triggering a deeper correction. On the flip side, if Bitcoin bounces back and breaks above $100,000, it would indicate that the bulls are regaining control. In this case, the BTC/USDT pair could climb to $102,500, with a possible further push toward $106,500. However, buyers should be prepared for strong resistance near $109,588.

Ether is struggling to gain momentum after failing to reclaim the $2,850 breakdown level on February 23, showing weak demand at higher price levels. If the price remains below the 20-day EMA at $2,765, there's a strong chance the ETH/USDT pair could decline further to $2,600, and possibly $2,500. Buyers will likely try to defend the $2,500 level aggressively, but if bears overpower them, the price could slump to $2,300. For the bulls to stage a comeback, they will need to push Ether above the downtrend line. A successful breakout could trigger a rally toward $3,450, with the potential to hit $3,750. Such a move would reopen the broader trading range between $2,111 and $4,094, giving Ether a shot at a more sustained uptrend.

Lastly please check out the advancement's happening in the cryptocurrency world

Enjoy the issue

Karnav Shah

Karnav Shah
Founder, CEO & Editor-in-Chief

CRYPTONAIRE WEEKLY

Cryptonaire Weekly is one of the oldest and trusted sources of Crypto News, Crypto Analysis and information on blockchain technology in the industry, created for the sole purpose to support and guide our Crypto Trading academy clients and subscribers on all the tops, research, analysis and through leadership in the space.

Cryptonaire weekly, endeavours to provide weekly articles, Crypto news and project analysis covering the entire marketplace of the blockchain space. All of us have challenges when facing the crypto market for the first time even blockchain-savvy developers, investors or entrepreneurs with the ever-changing technology its hard to keep up with all the changes, opportunities and areas to be cautious of.

With the steady adoption of Bitcoin and other cryptocurrencies around the world, we wanted not only to provide all levels of crypto investors and traders a place which has truly great information, a reliable source of technical analysis, crypto news and top emerging projects in the space.

Having been publishing our weekly crypto magazine 'Cryptonaire Weekly' for since early 2017 we have had our fingertips at the cusp of this exciting market breaking through highs of 20k for 1 Bitcoin to the lows of $3500 in early 2021. Our Platinum Crypto Academy clients (students and mentee's) are always looking for shortcuts to success to minimize expenses and possible loses. This is why we created our Crypto Magazine. Those who wish to invest their assets wisely, stay updated with the latest cryptocurrency news and are interested in blockchain technology will find our Weekly Crypto Magazine a valuable asset!

Featuring in this weeks Edition:

- BricklayerDAO

Also Get,

- Markets Analysis
- Market News Update
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WEEKLY CRYPTOCURRENCY MARKET ANALYSIS

Hello, welcome to this week's 376th edition of Cryptonaire Weekly Magazine. The global crypto market cap is $2.97 Trillion, Down 210 Billion since the last week. The total crypto market trading volume over the last 24 hours is at $146.14 Billion which makes a 79.26% increase. The DeFi volume is $10.44 Billion, 7.14% of the entire crypto market's 24-hour trading volume. The volume of all stable coins is $137.48 Billion, which is 93.94% share of the total crypto market volume the last 24 hours. The largest gainers in the industry right now are Polkadot Ecosystem and XRP Ledger Ecosystem cryptocurrencies.

Bitcoin's price has decreased by 4.84% from $96,000 last week to around $91,350 and Ether's price has decreased by 7.98% from $2,695 last week to $2,480
Bitcoin's market cap is $1.80 Trillion and the altcoin market cap is $1.17 Trillion.

Bitcoin bulls are working hard to hold the $94,000 support level, but sellers continue to dominate the market. The lackluster price action in Bitcoin, combined with growing trade tensions between the US and China and subdued expectations for interest rate cuts by the US Federal Reserve, appears to have dampened investor sentiment. This bearish outlook is reflected in the $1.14 billion worth of outflows from US-based spot Bitcoin ETFs over the past two weeks, according to SoSoValue data. Despite the uncertainty, Michael Saylor's Strategy, formerly MicroStrategy, remains bullish, purchasing 20,356 Bitcoin for $1.99 billion at an average price of $97,514. This brings its total holdings to 499,096 Bitcoin. Meanwhile, Bitcoin's sideways movement has caused its one-week realized volatility to drop to 23.42%, according to Glassnode. Historically, similar low-volatility periods have been followed by significant price movements, hinting that a big breakout could be on the horizon. Bitcoin dipped below the $91,000 mark as market sentiment took a hit following US President Donald Trump's confirmation that his planned tariffs on Canada and Mexico would proceed. The Crypto Fear & Greed Index dropped sharply to 25 on February 25, signaling Extreme Fear, down from 49 just a day earlier. This decline reflects broader concerns as Trump reaffirmed his 25% tariffs during a press conference with French President Emmanuel Macron. The negative sentiment in the crypto market seems closely tied to these geopolitical developments.

Percentage of Total Market Capitalization (Domnance)

BTC	61.56%
ETH	10.64%
XRP	4.68%
USDT	4.61%
BNB	3.05%
SOL	2.56%
USDC	1.85%
DOGE	1.12%
ADA	0.87%
Others	9.06%

Speculation is also growing that the US Securities and Exchange Commission (SEC) might ease up on enforcement actions against crypto firms under the new administration. Recent SEC filings show that the commission's crypto task force, led by Commissioner Hester Peirce, met with industry leaders, including representatives from the Crypto Council for Innovation, Zero Hash, Paradigm Operations, and Michael Saylor of Strategy. The discussions focused on reevaluating the SEC's stance on whether certain cryptocurrencies qualify as securities. While the SEC dropped investigations into Robinhood Crypto and OpenSea, it remains unclear whether it will do the same for pending cases, including one involving Coinbase.

In other news, Bybit CEO Ben Zhou confirmed that the exchange has fully replaced the $1.4 billion worth of Ether stolen in a hack on February 21. Zhou announced that a new audited proof-of-reserve report will soon be released, showing client assets are back at a 1:1 ratio using Merkle tree verification. This update followed claims by blockchain analytics firm Lookonchain, which estimated that Bybit acquired 446,870 Ether—about $1.23 billion—through loans, whale deposits, and purchases. This accounts for nearly 88% of the funds stolen by the Lazarus Group, a North Korean state-backed hacking organization.

JOIN THE MOVEMENT, BUILD YOUR FUTURE NOW WITH BRICKLAYERDAO

BACKED BY TOP-TIER RWA, BUILT FOR LONGEVITY!

BRICKLAYERDAO IS DEMOCRATISING REAL ESTATE USING BLOCKCHAIN. OUR GOVERNANCE MODEL HARNESSES COLLECTIVE INTELLIGENCE AND VIRTUAL ASSET GROWTH, OFFERING THE MOST VERIFIABLE, LIQUID, AND DIVERSIFIED WAY TO OPTIMISE YOUR PORTFOLIO.

WHITEPAPER

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ACT NOW TO SECURE TIER 1 DISCOUNT BEFORE 25TH DECEMBER AND CEMENT YOUR POSITION IN BRICKLAYERDAO

MRTR TOKEN PRESALE IS LIVE!

BUY NOW

TAKE ADVANTAGE OF THE EARLY INVESTOR PRESALE DISCOUNTS AND BE A PART THE MOST VERIFIABLE RWA OFFERING PLATFORM ON CHAIN -

- **POWER IN YOUR HANDS:**
  STAKE OUR MRTR TOKEN AND GET PAID TO PARTICIPATE IN DAO GOVERNANCE ENSURING EVERY VOICE IS HEARD.

- **PREDICTABLE RETURNS:**
  SECURE LUCRATIVE REWARDS FROM REAL ESTATE PERFORMANCE WITHOUT THE HASSLE OF OWNERSHIP.

- **TOKENOMICS:**
  MRTR BENEFITS FROM FIXED SUPPLY, TOKEN BURN MECHANISM, PREFERRED PAYMENT METHOD FOR PLATFORM SERVICES AND PORTFOLIO DIVIDENDS.

- **SECURITY & LIQUIDITY:**
  TRADE TOKENS ANYTIME, ANYWHERE, WITH CONFIDENCE ON THE BLOCKCHAIN.

ENHANCING LIQUIDITY AND ACCESSIBILITY TO PREMIUM COMMERCIAL REAL ESTATE, GET BRICK'D

BricklayerDAO is setting a new standard in the intersection of blockchain technology and real BricklayerDAO, the innovative platform bridging real-world assets (RWAs) and blockchain, has officially introduced its $MRTR (Mortar) token to the public through a live presale. Designed as the backbone of BricklayerDAO's ecosystem, $MRTR is a utility token that empowers members to participate in a decentralised real estate platform and benefit from treasury performance and lucrative staking rewards.

The $MRTR token stands apart as the operational force behind BricklayerDAO's vision of democratising access to value-add real estate opportunities and high performance development funds. With an ecosystem rooted in transparency and blockchain security, the token is pivotal in facilitating transactions, governance, and growth.

BricklayerDAO has also launched its decentralised application (dApp) and telegram mini-app, which lets you farm brick points and earn $MRTR rewards. You can stake $MRTR and submit new governance proposals on the dApp.

The $MRTR token is designed to support a high-volume ecosystem. With a total supply of 1 billion tokens and an initial circulating supply of 13,6 million $MRTR, it acts as the "fuel" of the platform, ensuring the seamless operation of BricklayerDAO's digital infrastructure. It complements the BRCK (Brick) token, a value-driven ERC-20 token that reflects the economic returns generated from real estate investments and crypto mining.

"$MRTR is the key to accessing the potential of our ecosystem," explains Nick, Co-Founder of BricklayerDAO. "It's what makes the decentralised vision of BricklayerDAO work, allowing community members to engage meaningfully while contributing to the network's growth. Whether it's staking, governance, or accessing ecosystem-exclusive benefits, $MRTR powers it all."

Holders of $MRTR tokens can participate in governance decisions, enabling a truly decentralised approach to decision-making within the DAO. This structure ensures that BricklayerDAO evolves in a way that aligns with the collective interest of its stakeholders.

$MRTR has been engineered to support BricklayerDAO's broader goals, from simplifying real estate transactions to supporting advanced blockchain offerings and optimising proptech. The token will facilitate:

Ecosystem Transactions: $MRTR is the primary token for transactions within the BricklayerDAO platform, including future AI-driven real estate services and other blockchain-based functionalities.

Governance: $MRTR holders can vote on proposals, shaping the DAO's strategies and initiatives.

Token Staking: By staking $MRTR, holders gain exclusive access to governance privileges and earn $MRTR yield and quarterly dividend rewards from the Treasury's performance.

BRCK Burn Mechanism: $MRTR is burnt when investors acquire $BRCK tokens, the flagship asset-backed token that reflects the value generated by real-world real estate and blockchain mining and staking ventures.

"BricklayerDAO is designed to bridge traditional real estate and the digital world of Web3," shares Edd, Co-Founder. "With $MRTR, we're taking a step closer to that vision by enabling seamless integration of value-added RWAs with decentralised governance and transaction frameworks."

In addition to fueling the DAO's ecosystem, $MRTR will play a crucial role in BricklayerDAO's upcoming AI-based offerings. The company plans to launch a cutting-edge AI real estate tool, codenamed Bricktop A.I., to provide data-driven insights and advanced analytics for real estate professionals. $MRTR will be the exclusive token for accessing these premium features, adding another layer of utility to its functionality.

As part of the token launch, BricklayerDAO has opened its $MRTR presale to early adopters. This is a limited opportunity to participate in one of the most exciting blockchain-driven real estate initiatives to date. Don't miss your chance to be part of BricklayerDAO's transformative journey in decentralised real estate. Buy $MRTR and stake for 12 months and receive 35% APY.

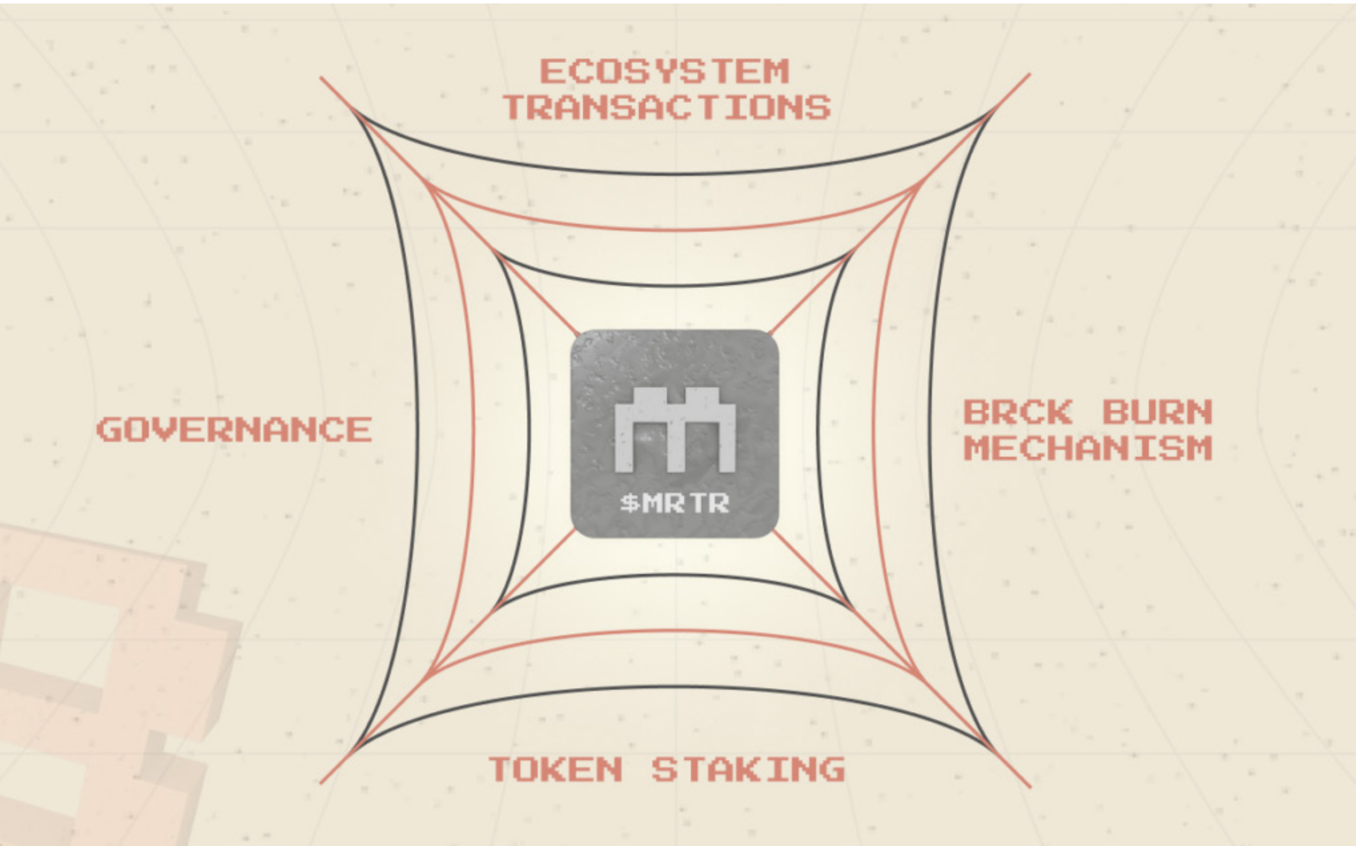
Visit **https://presale.bricklayerdao.com/** to claim your position right now.

BricklayerDAO is creating the Earth's most verifiable value offering on-chain for institutional real estate exposure, and we invite you to join us.

For more information, visit our **website**. You can stay up-to-date with BricklayerDAO by following them on social media platforms such as **X**, **Discord**, **LinkedIn**, **Instagram**.

About BricklayerDAO:

BricklayerDAO is a groundbreaking platform that merges blockchain technology with real estate investment, offering a decentralised approach to property transactions. By tokenising real-world assets and empowering stakeholders through governance, BricklayerDAO creates a transparent, accessible, and community-driven ecosystem for the future of real estate and blockchain integration.



ADVANCEMENTS IN THE CRYPTOCURRENCY WORLD

TARIFFS, RECESSION RISKS, AND CRYPTO VOLATILITY: THE IMPENDING IMPACT OF TRUMP'S TRADE WAR

The vulnerability of crypto markets to macroeconomic shifts highlights the intricate dance between trade policies and digital asset valuations.

Over the last few months, the crypto industry has been celebrating an evident pro-crypto shift in the US regulatory space. The optimism is well founded – the US president has his own meme coin, the SEC has already vowed to lower crypto enforcements, and earlier last month, White House released its crypto executive order to establish regulatory clarity.

Under Trump's term, the Securities Exchange Commission has also implemented SAB 122 — which is said to pave the way for crypto adoption. There's also a strong push towards a Bitcoin reserve – not just in the US but globally.

Despite this optimism, the past week has made it abundantly clear that crypto is now more vulnerable to macroeconomic factors than ever before. On the day that President Trump announced tariffs on China, Canada, and Mexico, the crypto market lost $2 billion according to Coinglass data.

Some experts indicate that original liquidations exceeded $10 billion – far worse than the liquidations during the FTX fallout. Factors including "buy the rumour, sell the news," might have been at play for the crypto market.

At the moment, there is a brief pause on the tariff implementation, as Trump has agreed to postpone Canada and Mexico tariffs by a month. If implemented, these tariffs may heighten the risk of a recession by constricting consumer spending and increasing economic uncertainty.

Tariffs function as a tax on imported goods. Their intended purpose is to protect domestic industries by making foreign products relatively more expensive. However, this protectionism comes at a cost. When tariffs drive up the prices of goods, consumers tend to reduce their spending.

Consumer spending drives approximately 68% of the U.S. GDP, so any sustained reduction in consumption can push overall economic activity below the threshold necessary to avoid a recession.

Read more...

Bitcoin falls under $91K — Bitfinex says it's at a 'critical juncture'

Bitfinex analysts said Bitcoin is mirroring traditional markets, and its lack of price momentum has "led to a period of contraction" for crypto markets.

Bitcoin fell under $91,000 and is at a "critical juncture" after the cryptocurrency has seen nearly 90 days of tight range-bound trading, according to analysts at crypto exchange Bitfinex.

Bitcoin BTC $88,991 has traded between $91,000 and $102,000 for around three months amid a stall in market momentum and "remains at a critical juncture after nearly 90 days of consolidation," analysts said in the Feb. 24 Bitfinex Alpha report.

"The momentum required for a sustained breakout has been lacking, and this has led to a period of contraction and consolidation across almost all major crypto assets," the analysts said.

Bitcoin has fallen over 4.5% in the past 24 hours, hitting a low of under $91,000 — its lowest price since late November, according to CoinGecko. The wider crypto market has also fallen 8% in the past day, from over $3.31 trillion to around $3.09 trillion.

The market drop comes as Trump said at a Feb. 24 news conference with French President Emmanuel Macron that his planned 25% tariffs on Canada and Mexico "are going forward on time, on schedule."

Read more...

Banking Giant JPMorgan Chase Holds $1,016,728 in Bitcoin and Ethereum ETFs, According to New SEC Filing

Financial Services titan JPMorgan Chase is holding over $1 million worth of shares in Bitcoin (BTC) and Ethereum (ETH) exchange-traded funds (ETFs).

According to a new filing with the U.S. Securities and Exchange Commission (SEC), JPMorgan currently holds just over $984,000 worth of Bitcoin-based ETFs and $32,300 worth of ETFs based on Ethereum, the second-largest digital asset by market cap.

The data reveals the notable ETFs the banking giant holds, including more than $523,000 worth of the ProShares Bitcoin ETF (BITO), about $290,000 worth of BlackRock's iShares Bitcoin Trust ETF (IBIT), $68,000 worth of the Bitwise Bitcoin ETF (BITB), $55,000 worth of Fidelity Wise Origin Bitcoin (FBTC) and $37,000 worth of the Grayscale Bitcoin Trust ETF (GBTC).

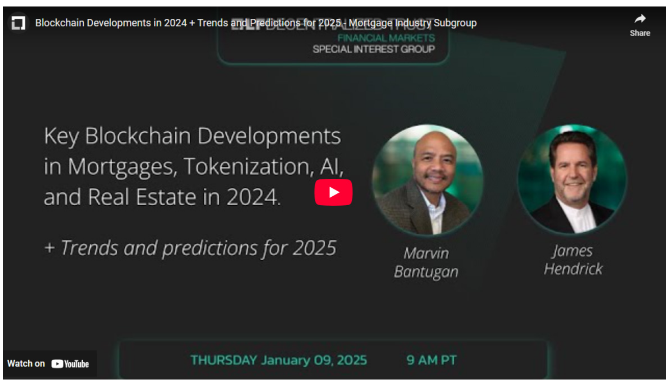
In terms of Ethereum, JPMorgan holds $23,800 worth of the Grayscale Ethereum Trust ETF (ETHE), $6,200 worth of the iShares Ethereum Trust ETF (ETHA), $2,100 worth of the Fidelity Ethereum Fund (FETH), and $102 worth of the Grayscale Ethereum Mini Trust ETF (ETH).

ETFs based around the top two crypto assets – which allow investors to expose themselves to BTC and ETH without having to actually purchase them – were approved by the SEC.

Read more...

The post-Bitcoin halving period is always an exciting time for the blockchain ecosystem. Historically, these periods have triggered market appreciation, drawing heightened interest from users, developers, investors, and regulators. However, beyond the speculative price gains, these phases also serve as critical testing grounds for blockchain's evolving technological innovations. While previous cycles have introduced concepts such as DeFi, NFTs, and play-to-earn (P2E) gaming, none have led to mass adoption of a blockchain-based application that unequivocally surpasses existing technology in utility.

Despite this, blockchain's fundamental strengths—immutability, transparency, and asset sovereignty—continue to attract innovation across sectors such as finance, gaming, governance, and data security. As the 2024 post-halving cycle unfolds, emerging trends are showcasing new possibilities for blockchain's evolution.



Lessons from Past Halving Cycles

2012: The Birth of Borderless Payments

The first major post-halving cycle in 2012 brought the realization that Bitcoin and blockchain could revolutionize global payments. Before Bitcoin, cross-border payments were slow and intermediated, often taking days to process. Blockchain promised instant, decentralized transactions without banks or payment processors. However, early limitations such as slow transaction speeds and high fees restricted its mainstream viability. The cycle ended with security breaches, most notably the collapse of Mt. Gox in 2014.

2016: The ICO Boom and Bust

The 2016 halving cycle saw an explosion of initial coin offerings (ICOs), democratizing venture funding and allowing retail investors to access early-stage projects. While this model initially promised decentralization and inclusivity, it soon became apparent that many ICOs were backed by little more than white papers and marketing hype. Fraudulent projects and unsustainable business models led to a crash, and most ICO-era tokens have since faded into obscurity.

2020: DeFi, NFTs, and the Metaverse Hype

The 2020 cycle introduced several innovations, including decentralized finance (DeFi), non-fungible tokens (NFTs), and play-to-earn gaming. While DeFi promised financial inclusion and high yields, many projects suffered from unsustainable tokenomics and lacked real economic backing. Similarly, NFTs became a speculative frenzy, with many digital assets losing value post-hype. P2E games, which rewarded players with tokens, faced inflationary pressures that collapsed their in-game economies. The metaverse, once heralded as the future of virtual interaction, failed to gain widespread adoption.

2024: A New Chapter for Blockchain Integration

Unlike previous cycles, the 2024 halving period began with strong regulatory and institutional integration. The approval of U.S.-based Bitcoin ETFs marked a shift toward mainstream financial acceptance. This newfound legitimacy has positioned the U.S. as a leader in blockchain adoption, setting the stage for further government and corporate involvement. The big question remains: how far will this integration go? Could more countries add crypto assets to their national reserves? Beyond regulatory progress, several blockchain applications are set to shape the industry's next phase.

Emerging Trends in Blockchain Innovation

The blockchain industry is evolving rapidly, with new technological breakthroughs pushing the boundaries of decentralization, transparency, and efficiency. Several key trends are emerging, which have the potential to reshape industries and drive the next wave of blockchain adoption.

1. Decentralized Real-World Assets (RWA): Transforming Traditional Finance

Tokenizing real-world assets (RWA) is emerging as one of the most promising applications of blockchain technology. By representing physical assets such as real estate, stocks, bonds, and commodities as blockchain-based tokens, investors and asset owners can benefit from increased liquidity, enhanced transparency, and reduced reliance on intermediaries.

How Tokenization Works

Tokenization allows fractional ownership of high-value assets, making investments more accessible to a broader audience. Through smart contracts, transactions can be automated, ensuring security and reducing settlement times. Blockchain-based RWA platforms also eliminate the need for cumbersome paperwork and streamline compliance procedures, making financial markets more efficient.

Sectors Adopting RWA

Real Estate: Property ownership can be divided into tokenized shares, allowing investors to buy and sell fractions of real estate assets without traditional barriers such as large capital requirements or long transaction processes.

Stocks and Bonds: Blockchain-based securities reduce trading fees, increase transparency, and enhance liquidity in financial markets.

Treasury Bills and Commodities: Governments and financial institutions are experimenting with tokenized treasury bills, gold, and oil to improve the efficiency of asset management and trade.

Decentralized Physical Infrastructure Networks (DePIN) and Decentralized Public Utility Tokens (DePUT)

In addition to financial assets, blockchain is enabling the tokenization of infrastructure and utilities. DePIN projects allow decentralized ownership and management of infrastructure services such as internet networks, energy grids, and cloud computing. DePUT is an emerging model that could revolutionize how public utilities are funded and operated by leveraging community-driven funding mechanisms.

2. Blockchain-AI Synergy: A New Era of Decentralized Intelligence

The convergence of artificial intelligence (AI) and blockchain is opening new frontiers in secure data management, automation, and machine learning. Decentralized AI models have the potential to transform industries by enabling more transparent, secure, and efficient AI applications.

Key Benefits of AI-Blockchain Integration

Enhanced Data Privacy: AI-powered blockchain solutions can leverage privacy-enhancing technologies such as zero-knowledge proofs (ZK-SNARKs) to protect user data while ensuring regulatory compliance.

Decentralized AI Training: Instead of relying on centralized entities, blockchain enables distributed AI training models, reducing bias and enhancing security.

Smart Contract Automation: AI-driven smart contracts can execute more complex decision-making processes, reducing human intervention and improving efficiency.

Real-World Applications of Blockchain-AI Synergy
Healthcare: Secure and verifiable AI-driven diagnosis models can be implemented on blockchain networks, ensuring patient data privacy.

Cybersecurity: AI can enhance blockchain security by detecting anomalies, preventing fraud, and mitigating cyber threats.

Supply Chain Management: AI-powered blockchain tracking can optimize logistics, reducing inefficiencies and improving traceability.

3. Microtransactions and the Future of Digital Payments
Traditional financial systems are ill-equipped to handle micropayments due to high transaction fees and long processing times. Blockchain offers a low-cost, scalable alternative that enables seamless digital payments, paving the way for new business models.

How Blockchain is Powering Microtransactions
Low Transaction Fees: Layer-2 scaling solutions such as the Lightning Network and rollups allow near-instant micropayments with minimal fees.

Content Monetization: Instead of relying on ad-driven revenue models, blockchain can enable pay-per-view or pay-per-use models for articles, videos, and music.

Gaming and Virtual Goods: Players can make small in-game purchases without the excessive fees associated with traditional payment processors.

Industries Disrupted by Blockchain-Based Micropayments
Media and Publishing: Instead of subscription-based access, users can pay per article or video, creating a fairer revenue model for content creators.

Internet of Things (IoT): Blockchain micropayments could allow machines and devices to autonomously pay for services such as cloud storage or bandwidth.

Freelancing and Gig Economy: Blockchain-enabled microtransactions could revolutionize the way freelancers and content creators are compensated, allowing for real-time payments based on completed work.

4. Memecoins and Celebrity Tokens: A Speculative Trend or Sustainable Model?
Memecoins and celebrity-backed tokens continue to capture market attention, often driven by community enthusiasm and viral marketing. While these digital assets lack inherent utility, their ability to generate high engagement and liquidity cannot be ignored.

The Rise of Memecoins
Memecoins such as Dogecoin and Shiba Inu have demonstrated the power of internet culture in driving demand for digital assets. Fueled by online communities, social media trends, and endorsements from high-profile individuals, memecoins have become a significant part of the crypto market.

Celebrity-Backed Tokens
With the increasing accessibility of token creation, celebrities and influencers are launching their own cryptocurrencies, providing exclusive benefits to token holders such as VIP access, merchandise discounts, and personal engagement opportunities. However, concerns about the long-term sustainability and regulatory risks of these tokens remain.

Challenges Facing Memecoins and Celebrity Tokens
Lack of Fundamental Utility: Most memecoins do not have a clear use case beyond speculative trading.

Regulatory Scrutiny: Governments are increasingly cracking down on tokens perceived as pump-and-dump schemes.

Market Volatility: The speculative nature of these assets makes them highly unpredictable.

Despite these concerns, the memecoin and celebrity token phenomenon highlights the demand for community-driven digital assets. If these tokens can evolve to incorporate real-world utility, they may secure a more sustainable place in the crypto economy.

5. Stablecoins as the Bridge to Traditional Finance
Stablecoins continue to be a vital bridge between blockchain and traditional finance, offering a way

to maintain the benefits of digital currencies while reducing volatility. Faster and cheaper blockchain networks are improving stablecoin efficiency, making them an increasingly viable alternative to legacy payment systems.

Why Stablecoins Are Gaining Traction

Price Stability: Unlike volatile cryptocurrencies, stablecoins are pegged to fiat currencies or commodities.

Efficient Cross-Border Payments: Stablecoins can significantly reduce the cost and time required for international money transfers.

Growing Institutional Adoption: Companies and governments are exploring stablecoins for payroll, remittances, and central bank digital currency (CBDC) models.

Market Trends and Data Insights

The blockchain industry is constantly evolving, with each market cycle revealing new trends, investment behaviors, and technological advancements. The early months of 2024 have already shown distinct patterns, highlighting the sectors gaining traction and those losing favor. Understanding these trends can provide valuable insights into the industry's future trajectory and help investors, developers, and policymakers make informed decisions.

Category	% Growth Rate Price			% Growth Rate Volume	
	May-24	Jan-25		May-24	Jan-25
Meme	63	55		67	94
AI	49	49		63	76
RWA	36	41		15	70
DE-Storage	30	37		13	62
Privacy Tokens	-2	36		-33	43
Exchange	21	35		12	62
DID	42	25		-7	56
L2 Platform	-4	19		-42	45
DEFI	21	14		-7	56
Wallets & Tools	22	10		5	57
L1 Platform	14	9		-10	60
Oracles	22	7		23	63
IOT	19	6		21	60
NFT	14	2		-22	65
Stablecoins	0	0		15	54
DEPIN	18	-14		-10	49
Gaming	23	-22		7	55

Early Indicators from 2024: What's Leading Market Growth?

From January to May 2024, Toronet Research conducted an extensive analysis of token performance across various sectors within the blockchain ecosystem.

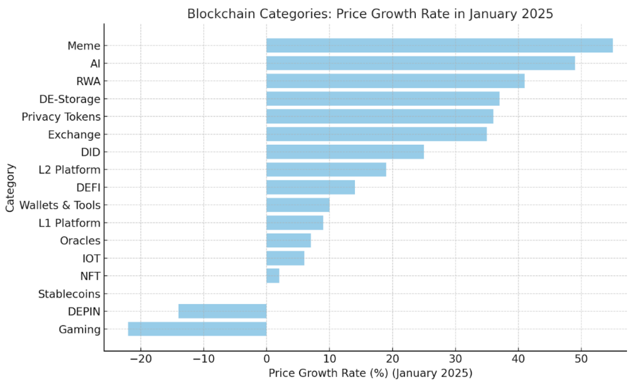
Memecoins, AI-Related Tokens, and Real-World Assets (RWA) Projects Are Leading Market Growth: These categories have attracted significant attention from both retail and institutional investors. Memecoins, despite lacking intrinsic utility, continue to gain popularity due to community engagement and speculative interest. AI-related tokens have surged as the intersection of artificial intelligence and blockchain presents new possibilities for decentralized applications and data security. RWA tokenization is also gaining traction, offering new ways to invest in tangible assets like real estate, commodities, and financial instruments.

Layer-2 Solutions Are Experiencing Faster Adoption Than Layer-1 Blockchains: Layer-2 networks, which operate on top of existing blockchains to enhance scalability and reduce transaction fees, have outpaced the growth of their layer-1 counterparts. As congestion and high fees remain concerns on major blockchains like Ethereum, layer-2 solutions such as Optimism, Arbitrum, and zkSync are becoming essential for improving user experience and increasing blockchain efficiency.

Decentralized Physical Infrastructure Networks (DePIN) Are Gaining Momentum: Although DePIN projects had limited traction in the early months of 2024, their potential to transform industries such as telecommunications, energy, and cloud computing is becoming increasingly apparent. These projects leverage blockchain technology to decentralize infrastructure services, creating more transparent and efficient systems.

CoinGecko's Industry Report: Trends and Cyclical Patterns

CoinGecko's Q3 2024 Crypto Industry Report largely aligned with Toronet Research's findings, further reinforcing the idea that certain market trends follow cyclical patterns. One of the key takeaways from the report is that applications with little real-world utility, which gained excessive hype in previous cycles, tend to be abandoned in subsequent ones.



For example:
ICOs (Initial Coin Offerings) in 2017 saw a boom in fundraising but later collapsed due to widespread scams and lack of accountability.

NFTs (Non-Fungible Tokens) in 2021 experienced massive valuation spikes but suffered post-hype as speculation outweighed real-world use cases.

Play-to-Earn (P2E) Gaming in 2022 initially attracted users with financial incentives but failed to sustain long-term engagement due to flawed economic models.

The pattern suggests that each cycle leaves behind projects and trends that lack tangible value, pushing the industry toward more sustainable innovations. This underlines the importance of guiding new adopters toward projects with real utility to reduce market volatility and investor disillusionment.

The Role of Institutional Investment and Regulation

The 2024 cycle has also witnessed a noticeable shift in investment patterns, with institutional investors playing a more prominent role than in previous years. The approval of Bitcoin ETFs in the United States marked a significant milestone, signaling increased acceptance of digital assets within traditional financial markets. This has led to a growing demand for regulatory clarity, as both investors and regulators recognize the potential of blockchain beyond speculation.

Regulatory developments have also had a profound impact on market trends. Countries with clear legal frameworks for blockchain and cryptocurrency are attracting more innovation and investment, while jurisdictions with uncertain or restrictive policies are seeing slower adoption. As stablecoin regulations, tax policies, and compliance measures become more defined, the blockchain industry is expected to transition toward a more structured and mainstream financial environment.

Growth in AI and Blockchain Integration

One of the most exciting developments in 2024 has been the growing synergy between blockchain and artificial intelligence. AI-powered blockchain solutions are gaining traction due to their ability to enhance security, automate transactions, and improve data privacy. Projects focused on AI-driven identity verification, fraud detection, and decentralized data storage are emerging as some of the most promising use cases in this cycle.

In particular, AI is being integrated with zero-knowledge proofs (ZK-SNARKs) to improve data confidentiality without compromising transparency. These advancements could revolutionize industries like healthcare, finance, and cybersecurity by enabling trustless data exchanges and enhancing user privacy.

utility-driven projects to mitigate volatility and investor disillusionment.

Breaking the Cycle: Will This Time Be Different?
Blockchain technology has historically followed a cyclical pattern of hype-driven booms followed by sharp corrections. Each major innovation or technological breakthrough is often accompanied by speculative excitement, leading to an influx of investors, developers, and users. However, when the hype fades, many projects struggle to maintain their relevance, resulting in downturns that leave behind only the most sustainable ideas.

The challenge for the current cycle is to ensure that blockchain adoption is not merely another speculative bubble but rather a foundation for long-term utility. Several key factors will determine whether this cycle can break the traditional boom-bust pattern and lead to a more stable and widely accepted blockchain ecosystem.

1. Institutional Involvement: Bringing Legitimacy and Stability
One of the most significant shifts in the blockchain space is the increasing involvement of institutional investors and corporate entities. Traditionally, blockchain was seen as a technology primarily driven

by retail investors and independent developers. However, in recent years, major financial institutions, multinational corporations, and even governments have begun integrating blockchain into their operations.

The approval of Bitcoin ETFs has provided a pathway for institutional investors to gain exposure to cryptocurrencies through traditional financial instruments.

Large corporations, including Visa, Mastercard, and PayPal, are actively exploring blockchain-based payment systems, which could lead to mass adoption.

Governments are investigating central bank digital currencies (CBDCs), further legitimizing blockchain's role in the global financial system.

Institutional participation not only lends credibility to blockchain but also increases liquidity and regulatory oversight, making the ecosystem more resilient to market volatility.

2. Thoughtful Regulation: Striking a Balance Between Innovation and Protection

Regulatory uncertainty has long been one of the biggest obstacles to blockchain adoption. In the past, rapid innovations in the space, such as initial coin offerings (ICOs) and decentralized finance (DeFi), have often been met with regulatory crackdowns due to concerns over fraud, financial stability, and consumer protection. However, the narrative is slowly shifting toward a more structured regulatory approach.

Balanced regulations can provide a safer environment for investors while still allowing innovation to flourish. The key elements of effective regulation include:

Clear legal frameworks: Defining the classification of crypto assets, differentiating between securities, commodities, and utility tokens.

Anti-money laundering (AML) and Know Your Customer (KYC) compliance: Ensuring that blockchain transactions are not used for illicit activities.

Taxation clarity: Establishing guidelines on how crypto transactions should be taxed to avoid confusion for investors and businesses.

If governments and regulatory bodies adopt a collaborative approach with blockchain developers, the industry could move toward a more stable and compliant future.

3. Real-World Use Cases: Moving Beyond Speculation

For blockchain to achieve mainstream success, it must provide tangible benefits beyond financial speculation. While past cycles have introduced concepts like NFTs and DeFi, the focus is now shifting toward applications that solve real-world problems.

Some of the most promising real-world blockchain applications include:

Tokenized Real-World Assets (RWA): Converting physical assets like real estate, stocks, and commodities into blockchain-based tokens for easier trading and ownership.

Blockchain-AI Integration: Enhancing privacy, security, and efficiency in AI-driven applications through decentralized data management.

Micropayments and Content Monetization: Enabling frictionless, low-cost transactions for digital content, subscriptions, and pay-per-use services.

Supply Chain Transparency: Leveraging blockchain to improve tracking and verification in industries such as agriculture, pharmaceuticals, and manufacturing.

If these use cases gain widespread adoption, blockchain could transition from a speculative asset class to a foundational technology for various industries.

4. Improved User Experience: Making Blockchain More Accessible

One of the most significant barriers to blockchain adoption has been its complex and often intimidating user experience. For non-technical users, navigating decentralized applications (dApps), managing private keys, and understanding smart contracts can be daunting.

To attract a broader audience, blockchain platforms must prioritize:

Simplified wallet solutions: Reducing the complexity of key management with more user-friendly interfaces and recovery mechanisms.

Seamless onboarding processes: Making it easier for new users to interact with blockchain networks without extensive technical knowledge.

Integration with traditional services: Allowing users to access blockchain-based applications through familiar platforms such as banking apps and e-commerce websites.

If blockchain technology becomes as intuitive as traditional financial and internet services, it could significantly accelerate mainstream adoption.

5. Sustainable Tokenomics: Ensuring Long-Term Viability

One of the major downfalls of past blockchain cycles has been the unsustainable economic models behind certain projects. The DeFi boom, the NFT craze, and the play-to-earn gaming (P2E) movement all saw rapid growth, only to collapse due to flawed tokenomics.

For blockchain projects to be sustainable, they must:

Avoid inflationary token models: Projects should ensure that token issuance aligns with real economic activity rather than speculative demand.

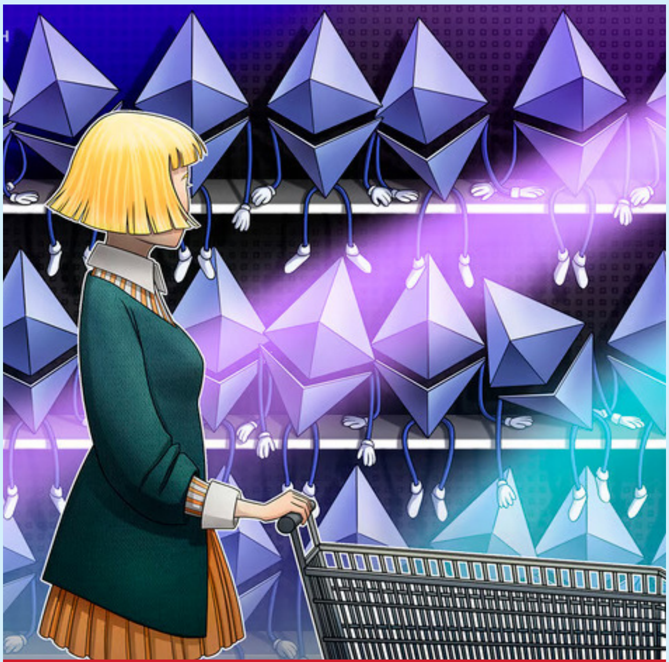
Focus on intrinsic value: Tokens should have clear use cases within their ecosystems, providing tangible benefits rather than just serving as speculative assets.

Adopt long-term incentives: Reward structures should be designed to encourage ongoing participation rather than short-term hype cycles.

By prioritizing sound economic principles, blockchain projects can build ecosystems that are resilient to speculative bubbles and market downturns.

Conclusion

The 2024 post-halving cycle represents blockchain's most significant opportunity yet to deliver lasting impact. With increasing institutional integration, the promise of thoughtful regulation, and a shift toward real-world utility, the industry is poised for meaningful growth. The coming years will determine whether blockchain finally fulfills its transformative potential or continues its cyclical pattern of speculative highs and subsequent crashes. By focusing on sustainable innovation, the industry can chart a new path toward long-term success.



Bybit has ‘fully closed the ETH gap’ CEO says after $1.4B Lazarus hack

The statement came shortly after Lookonchain reported Bybit had bought $742 million worth of Ether between Feb. 22 and 23.

Bybit CEO Ben Zhou says his cryptocurrency exchange has fully replaced the $1.4 billion worth of Ether that was hacked on Feb. 21.

A new audited proof-of-reserve report will be published very soon to show Bybit’s client assets are back at a 1:1 ratio through a Merkle tree, Zhou said in a Feb. 24 X post.

It comes as blockchain analytics firm Lookonchain estimated that Bybit received 446,870 Ether, worth around $1.23 billion from loans, whale deposits and purchases — making up nearly 88% of the $1.4 billion stolen from North Korean stated-back hacker organization Lazarus Group on Feb. 21.

Of that, Lookonchain found that Bybit-linked wallet address “0x2E45...1b77” had bought 157,660 Ether ETH$2,494, worth $437.8 million from crypto investment firms Galaxy Digital, FalconX and Wintermute via over-the-counter purchases.

Another $304 million of Ether purchased using wallet address “0xd7CF...A995” through centralized and decentralized exchanges is also “likely” tied to Bybit, Lookonchain said, citing data from Arkham Intelligence.

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Ether traders eye growth as options market leans bullish

Ether option markets are “leaning bullish,” with a “touch of caution” from large investors, as ETH faces significant downside volatility under $2,600.

The structure of the Ether options market suggests traders are anticipating medium-term growth, as February’s options expiry events could play a decisive role in the price trajectory of the world’s second-largest cryptocurrency.

More than 70% of the options open interest is in call contracts as of 10:35 am UTC on Feb. 16, with increasingly more traders betting on Ether’s ETH $2,717 rise, CoinGlass data shows.

The bullish positioning suggests that investors are cautiously optimistic about ETH appreciation in the medium term, according to Nicolai Sondergaard, research analyst at Nansen.

“The ETH options market is leaning bullish, but there’s a touch of caution,” the analyst told Cointelegraph, adding:

“Most of the action is in calls, especially around $3,000–$4,000 strikes, and the low Put/Call Ratio backs up the optimism. There’s a lot of focus on February and March expirations, so traders seem confident about medium-term growth.”

ETH has traded nearly flat over the past week but is down over 21% on the monthly chart, Cointelegraph Markets Pro data shows.

Ether has yet to stage a significant recovery in the current cycle, with the price remaining around 44% below its all-time high of above $4,890 recorded three years ago in November 2021.

Despite the optimistic outlook, large investors remain cautious in their options positioning, reflecting that there is still downside risk for Ether, Sondergaard said.

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In a significant development for the non-fungible token (NFT) industry, the United States Securities and Exchange Commission (SEC) has officially closed its investigation into OpenSea, one of the world's largest NFT marketplaces. This decision was announced by OpenSea's founder, Devin Finzer, on February 21, 2025, through a post on X (formerly Twitter). Calling the closure of the probe "a win for everyone who is creating and building in our space," Finzer's announcement was met with widespread relief and optimism within the crypto and NFT communities.

This decision marks a turning point for the NFT ecosystem, providing regulatory clarity and reinforcing confidence among creators, investors, and marketplace operators. The move comes at a crucial time when digital assets, particularly NFTs, are experiencing a resurgence, with increasing adoption across art, gaming, and digital collectibles.

The SEC's Investigation and Its Implications

Origins of the Probe

The Securities and Exchange Commission (SEC) initiated its scrutiny of OpenSea in August 2024, issuing a Wells notice to the NFT marketplace. A Wells notice is a formal communication from the SEC that informs a company or individual that the regulator is considering enforcement action against them. This notice served as an early warning signal that OpenSea was under regulatory fire, triggering widespread concern within the cryptocurrency and NFT communities.

The central allegation in the SEC's investigation was that OpenSea was operating as a marketplace for unregistered securities, suggesting that NFTs (non-fungible tokens) could potentially fall under the definition of securities according to U.S. law. This classification would place NFTs under the jurisdiction of the SEC, subjecting them to the same regulatory framework that governs stocks, bonds, and other investment assets.

The implications of such a classification were immense, as it would mean that NFT platforms, creators, traders, and investors would be legally bound to comply with securities regulations. This was a major concern, given that the NFT industry had largely operated in a decentralized and relatively unregulated manner. Many feared that an SEC ruling against OpenSea would set a precedent, resulting in similar legal actions against other NFT marketplaces and projects, ultimately stifling innovation and growth in the space.

The SEC's Broader Regulatory Crackdown on Crypto

The SEC's investigation into OpenSea was not an isolated event. It was part of a broader regulatory crackdown on the cryptocurrency industry that had been gaining momentum throughout 2023 and 2024. Under the leadership of SEC Chair Gary Gensler, the commission had taken an aggressive stance on digital assets, arguing that many cryptocurrencies and blockchain-based financial instruments resembled traditional securities.


dfinzer.eth | opensea
@dfinzer

The SEC is closing its investigation into @opensea. This is a win for everyone who is creating and building in our space. Trying to classify NFTs as securities would have been a step backward—one that misinterprets the law and slows innovation.

Every creator, big or small, should be able to build freely without unnecessary barriers.

7:51 AM · Feb 22, 2025 · 84.3K Views

In addition to OpenSea, other major players in the crypto space, including Coinbase, Binance, and Ripple, found themselves in legal battles with the SEC over allegations of unregistered securities offerings. The SEC's increasing involvement in the crypto sector signaled a push toward stricter regulation, which many industry participants viewed as an attempt to assert greater control over the decentralized finance (DeFi) ecosystem.

NFT marketplaces, which had previously enjoyed relative regulatory ambiguity, were suddenly thrust into the spotlight. The SEC's probe into OpenSea was widely seen as a test case that could determine the regulatory fate of the entire NFT sector. If OpenSea were found to be in violation of securities laws, other marketplaces such as Rarible, Magic Eden, and LooksRare would likely face similar scrutiny, leading to widespread disruption within the industry.

Potential Consequences of a Securities Classification

Had the SEC ultimately classified NFTs as securities, the implications would have been far-reaching and potentially devastating for the industry. Here's how it could have reshaped the NFT landscape:

Increased Regulatory Scrutiny: If NFTs were considered securities, all NFT platforms, creators, and investors would have to navigate stringent securities laws. This would include compliance with investor protection regulations, disclosure requirements, and licensing obligations. Such oversight would significantly alter the operational framework of NFT marketplaces, requiring them to implement extensive legal safeguards.

Higher Compliance Costs: Registering with regulatory bodies such as the SEC entails substantial financial and administrative burdens. NFT platforms would need to hire compliance officers, conduct regular audits, and ensure adherence to strict reporting requirements. Smaller NFT startups and independent artists would struggle to meet these demands, potentially leading to consolidation in the industry where only well-funded corporations could afford to remain operational.

Reduced Innovation: The NFT sector thrives on creativity, experimentation, and rapid innovation. However, regulatory uncertainty and legal constraints could discourage developers from launching new projects. Entrepreneurs and artists who previously saw NFTs as an open and decentralized opportunity might be deterred by the complexities of legal compliance, leading to a slowdown in the industry's growth.

Investor Caution and Market Decline: The classification of NFTs as securities could have led to increased investor hesitation. Many traders and collectors who engage with NFTs for digital ownership, gaming, or artistic purposes may not want to deal with securities regulations. This could result in decreased trading volumes, lower valuations, and overall market stagnation.

Possible Delistings and Market Exits: If OpenSea and other NFT marketplaces had been required to register as securities platforms, they might have faced legal actions, delistings, or even forced shutdowns. Some platforms may have chosen to restrict access to U.S.-based users to avoid regulatory complications, pushing NFT trading to offshore platforms and diminishing the U.S.'s role in the global NFT market.

These potential consequences led to widespread anxiety across the NFT and crypto communities. Many industry leaders and legal experts warned that the SEC's classification of NFTs as securities could have a chilling effect on innovation, preventing blockchain technology from realizing its full potential.

OpenSea's Response to the Investigation

Throughout the probe, OpenSea remained firm in its stance that NFTs should not be classified as securities. The company worked closely with legal experts and regulatory consultants to build its defense, emphasizing that NFTs are fundamentally different from traditional financial instruments.

Devin Finzer, OpenSea's co-founder and CEO, consistently argued that NFTs represent digital ownership rather than investment contracts. Unlike stocks or bonds, which derive value from company performance and shareholder agreements, NFTs function as digital certificates of authenticity tied to art, collectibles, and virtual assets.

As the investigation progressed, OpenSea took proactive measures to strengthen its compliance framework, introducing new policies to prevent market manipulation and fraudulent activities. The platform enhanced its anti-wash trading measures, improved transparency in NFT transactions, and cooperated with regulatory authorities to ensure fair marketplace practices.

The SEC's Decision to Drop the Case: A Turning Point

In February 2025, after months of speculation and legal discussions, the SEC announced that it was closing its investigation into OpenSea without pursuing enforcement action. The decision was met with overwhelming relief and enthusiasm across the industry.

Devin Finzer took to social media to share the news, calling it "a win for everyone who is creating and building in our space." The announcement signaled that, for the time being, NFT marketplaces could continue operating without the immediate threat of SEC intervention.

The broader crypto industry also celebrated the decision, seeing it as an indicator that regulatory agencies were becoming more open to dialogue and understanding the nuances of digital assets. This ruling was particularly significant because it came shortly after the SEC dropped its lawsuit against Coinbase, further reinforcing the idea that regulators might be reassessing their approach to crypto oversight.

The SEC's Simultaneous Dismissal of the Coinbase Lawsuit

Interestingly, the closure of OpenSea's investigation coincided with another major development in the crypto space—the SEC's decision to drop its lawsuit against Coinbase. The regulatory body had accused Coinbase, a leading cryptocurrency exchange, of functioning as an unregistered securities broker.

The timing of these two decisions suggests a shift in the SEC's stance on digital assets, or at the very least, a recognition of the challenges in enforcing traditional securities laws in the rapidly evolving blockchain sector. Many industry experts see this as a sign that the SEC is reconsidering its aggressive approach to regulating crypto and NFT marketplaces.

Industry Reactions: A Collective Sigh of Relief

The SEC's decision to close its probe into OpenSea has been met with overwhelmingly positive reactions across the NFT and crypto communities.

Competitors Acknowledge a Win for the Entire Space

Chris Akhavan, Chief Business Officer at Magic Eden, a competing NFT marketplace, expressed his support for OpenSea despite their rivalry. He emphasized that this decision benefits the entire NFT ecosystem.

"While we are competitors in the trenches, we share a deep belief in NFTs and what they will enable. Happy to see such a win for the space," Akhavan said in a social media post on February 21.

Market Analysts See a Potential Bull Run

Prominent pseudonymous crypto commentator Beanie told their 223,800 followers on X that this development could be a catalyst for the next NFT bull market.

"OpenSea did a wonderful thing for the NFT industry by facilitating some regulatory clarity. I'm sure it has come at great cost as well. So we should all be thankful for that," Beanie remarked.

Developers and Investors Regain Confidence

The regulatory uncertainty surrounding NFTs had deterred many developers and investors from fully committing to the space. With the SEC stepping back, there is renewed enthusiasm for projects built on blockchain technology, especially those leveraging NFTs for gaming, digital art, and virtual real estate.

OpenSea's Next Steps: Token Launch and Community Engagement

The Upcoming SEA Token Launch

Just days before the SEC announcement, OpenSea's foundation revealed plans to launch its native token, SEA. While the exact timeline remains undisclosed, the foundation confirmed that the token would be available to users in multiple countries, including the United States.

The launch of SEA could potentially enhance OpenSea's platform by introducing:

Governance features: Allowing users to vote on key platform decisions.

Reduced transaction fees: Incentivizing trading and platform engagement.

Exclusive rewards: Providing benefits to loyal users and collectors.

Addressing Concerns Over the Airdrop Reward System

Despite the positive news, OpenSea has also faced criticism over its recent airdrop reward system. Some users claimed that the system did not sufficiently support NFT creators and instead encouraged wash trading—where users artificially inflate trading volume to manipulate perceived market value.

In response to community backlash, OpenSea decided to pause the airdrop program and reevaluate its structure to better align with user interests.

Regulatory Trends and the Future of NFTs

Will the SEC Return with Stricter Regulations?

The SEC's decision to close its investigation into OpenSea marked a significant win for the NFT industry, but it does not necessarily indicate a long-term regulatory reprieve. As the NFT market continues to grow and evolve, there is a strong possibility that regulators will revisit the sector, particularly as new use cases emerge. The rapid development of NFT-related financial instruments, such as tokenized securities, fractionalized ownership models, and NFT staking, could attract renewed scrutiny from the SEC and other financial regulators.

One of the key reasons the SEC might return with stricter oversight is the potential for NFTs to be used in speculative investment schemes. While many NFTs are primarily digital collectibles or artistic assets, some projects have begun introducing financial incentives, revenue-sharing models, and staking mechanisms that resemble traditional securities or investment contracts. This raises concerns among regulators, who fear that without proper oversight, the NFT market could become a breeding ground for fraud, market manipulation, and investor losses.

Regulators may also feel compelled to intervene due to increasing incidents of fraud, rug pulls, and illicit financial activities within the NFT space. Cases of wash trading, where traders artificially inflate NFT prices by buying and selling assets among themselves, have become widespread. Additionally, concerns over intellectual property rights, counterfeit NFTs, and platform security breaches could further push authorities to tighten their grip on the industry.

Potential Regulatory Measures for NFTs

Some industry experts believe that it is only a matter of time before policymakers introduce NFT-specific regulations, similar to those being developed for stablecoins and decentralized finance (DeFi). While existing securities laws may not fully apply to NFTs in their current form, regulators could create a new legal framework tailored to digital assets. Some potential areas of regulation could include:

Know Your Customer (KYC) and Anti-Money Laundering (AML) Requirements: One of the biggest concerns regulators have about the NFT space is its potential use for money laundering and illicit transactions. By implementing KYC and AML measures, NFT marketplaces could be required to verify the identities of buyers and sellers, reducing the risk of financial crimes. This would be similar to how centralized cryptocurrency exchanges operate today.

Tax Reporting Obligations: The taxation of NFTs remains a grey area in many jurisdictions. As NFT sales and trading volumes increase, tax authorities are likely to implement clearer guidelines on how NFT transactions should be reported and taxed. This could include capital gains tax on NFT sales, VAT or sales tax on digital assets, and reporting requirements for high-value transactions.

Consumer Protection Laws: Given the rise in NFT scams, regulators may introduce consumer protection measures to safeguard buyers from fraudulent projects. This could involve mandatory disclosures about the risks of NFT investments, standardized refund policies, and enhanced security protocols for NFT platforms to prevent hacking and asset theft.

Intellectual Property (IP) Rights Enforcement: With the proliferation of counterfeit NFTs and unauthorized use of copyrighted material, there may be new laws requiring NFT marketplaces to verify the legitimacy of digital assets before listing them. This could lead to the implementation of blockchain-based IP verification systems and licensing agreements between NFT creators and content owners.

Regulation of Fractionalized NFTs: Some NFT projects have started offering fractional ownership, allowing multiple investors to own a share of a high-value digital asset. While this makes expensive NFTs more accessible to retail investors, it also raises regulatory concerns, as fractionalized NFTs could be classified as securities under existing laws. If regulators determine that fractionalized NFTs meet the criteria of an investment contract, platforms offering these services may be required to register with financial authorities.
Global Perspectives on NFT Regulation

While the United States takes a cautious and evolving approach to NFT regulation, other countries are moving ahead with their own frameworks:

European Union (EU): The EU is actively working on comprehensive crypto regulation through the Markets in Crypto-Assets (MiCA) framework. Although MiCA does not specifically cover NFTs, regulators have hinted that digital collectibles could fall under financial regulation if they are used for investment purposes.

China: Despite banning cryptocurrencies, China has allowed limited forms of NFTs, rebranding them as "digital collectibles" to distance them from crypto assets. These NFTs are highly regulated and can only be traded on government-approved platforms.

Japan: Japan has embraced NFTs, with corporations, entertainment brands, and gaming companies integrating them into mainstream commerce. The Japanese Financial Services Agency (FSA) has indicated that while NFTs are not currently classified as securities, certain financialized NFT products could face regulation.

United Kingdom: The UK government is exploring NFT regulation as part of its broader strategy for digital assets. The Financial Conduct Authority (FCA) has warned about the risks of NFT investments and may introduce measures to enhance consumer protection.

As global regulatory landscapes continue to evolve, NFT marketplaces, creators, and investors will need to stay informed and adapt to new compliance requirements.

Global Perspectives on NFT Regulation

While the U.S. takes a cautious approach, other countries are actively developing NFT regulations:

European Union: Under the Markets in Crypto-Assets (MiCA) framework, NFTs may be subject to oversight if they function as financial instruments.
China: Despite banning cryptocurrencies, China has allowed "digital collectibles" under strict government regulation.

Japan: The country has embraced NFTs, with businesses and entertainment industries integrating them into mainstream commerce.

As regulatory landscapes continue to evolve, OpenSea and other NFT platforms will need to adapt to ensure compliance while fostering innovation.

Conclusion

The SEC's decision to drop its investigation into OpenSea marks a major victory for the NFT industry. It not only reinforces confidence among developers, investors, and collectors but also sets a precedent for how regulators might approach digital assets moving forward.

As OpenSea prepares for the launch of its SEA token and continues to refine its platform, the NFT space is poised for renewed growth. While regulatory challenges may still arise in the future, this development serves as a reminder that the industry is resilient and evolving.

For now, NFT enthusiasts can celebrate this milestone, knowing that the path toward mainstream adoption has become clearer. The closure of the SEC investigation is not just a win for OpenSea but a significant moment for the entire blockchain ecosystem.

FAQs

1. Will the SEC regulate NFTs in the future?

While the SEC has dropped its investigation into OpenSea, it may still regulate NFTs in the future, especially as new use cases like fractionalized ownership and NFT staking emerge. If NFTs are deemed securities, marketplaces and projects may need to comply with securities laws.

2. How could NFT regulations impact buyers and sellers?

If stricter regulations are introduced, NFT buyers and sellers may need to undergo identity verification (KYC) and report transactions for tax purposes. Additionally, platforms may need to ensure compliance with anti-money laundering (AML) laws, making the process more structured but potentially reducing anonymity.

3. What are the global approaches to NFT regulation?

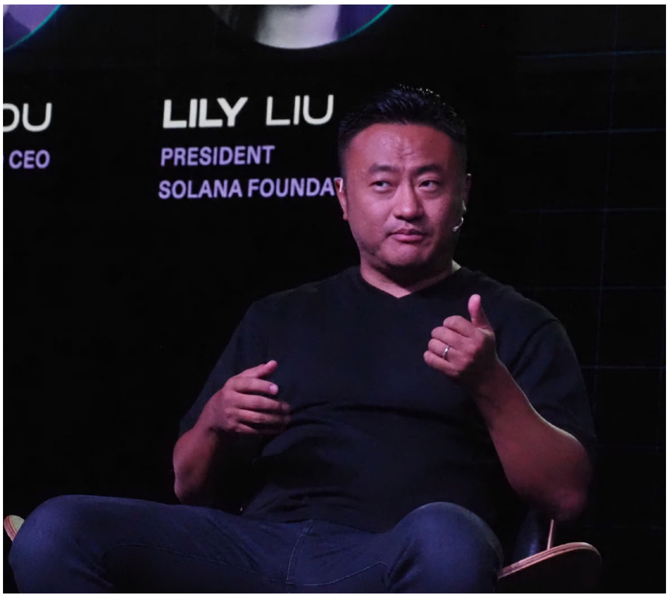
Countries like the EU, Japan, and the UK are exploring different regulatory frameworks for NFTs. The EU's MiCA framework could eventually cover NFTs used for financial purposes, while China has limited NFTs to government-approved platforms. Regulations vary widely depending on the region.

4. What are the risks of investing in NFTs without clear regulations?

Without clear regulations, NFT investors are at risk of fraud, market manipulation, and potential tax liabilities. Scams, rug pulls, and wash trading are common in the space, making it crucial for buyers to conduct thorough research before purchasing NFTs.

5. How can NFT marketplaces prepare for potential regulations?

To prepare for possible regulations, NFT marketplaces can implement KYC/AML procedures, enhance transparency in transactions, and work closely with legal experts. Adopting industry standards and self-regulation may also help platforms stay ahead of regulatory changes while maintaining user trust.



Bybit Sees Over $4 Billion 'Bank Run' After Crypto's Biggest Hack

The exchange, facing a bank run and needing to process withdrawals, worked to secure a loan and developed new software to access frozen funds.

Bybit experienced a $1.5 billion hack and over $4 billion of "bank run," leading to a total $5.5 billion outflow within the exchange.
Bybit CEO Ben Zhou addressed the incident, highlighting the need for loan coverage, user support, and the impact of a temporary shutdown of Safe wallet functionalities.
The cause of the hack remains unclear, with Bybit investigating whether it was a problem with their laptops or on Safe's systems.

Major cryptocurrency exchange Bybit has seen total outflows of over $5.5 billion after it suffered a near $1.5 billion hack that saw hackers, believed to be from North Korea's Lazarus Group, drain its ether cold wallet.

The total assets tracked on wallets associated with the exchange plunged from around $16.9 billion to $11.2 billion at the time of writing, according to data from DeFiLlama. The exchange is now looking to understand exactly what happened.

In an X spaces session, Bybit's CEO Ben Zhou revealed that shortly after the incident, he called for "all hands on deck" to serve their clients with processing withdrawals and responding to inquiries about what was going on.

During the session, Zhou revealed that the security breach saw the hackers make off with roughly 70% of their clients' ether.

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Million-Dollar Dolce & Gabbana Digital Suit Fractionalized on Ethereum L2 Base—Here's Why

Fermion Protocol, a real world asset or RWA application built on Ethereum layer-2 network Base, is launching its services by fractionalizing a Dolce & Gabbana digital suit that was purchased for $1 million.

The Glass Suit, part of the Italian fashion brand's Collezione Genesi, was originally won in an auction by Boson Protocol in 2021. The auction was for both the physical suit—which took the fashion house eight months to create—along with a digital rendition tokenized as an Ethereum NFT. Boson founder Justin Banon is also behind Fermion.

Now Banon and his new protocol, which is built in the Boson metasystem, will commence its focus on fractionalizing and tokenizing physical, real world assets, starting with a focus on luxury goods.

Fractionalization is the process of taking a digital asset and dividing it into numerous shares or shards, which can divide ownership among a larger group of collectors.

"With 2% of customers now driving 45% of luxury sales, there's a clear need to rebuild broader connections with luxury audiences," said Banon in a statement. "As luxury consumers report a declining feeling of exclusivity, fractionalization presents a new model for those seeking elevated luxury consumption while offering instant verification of the provenance of vintage pieces by checking their digital credentials on decentralized networks."

To celebrate the launch, Fermion Protocol is airdropping fragments of the Glass Suit via a series of activations to "Fermion, Boson, and Web3 fashion communities," Banon told Decrypt.

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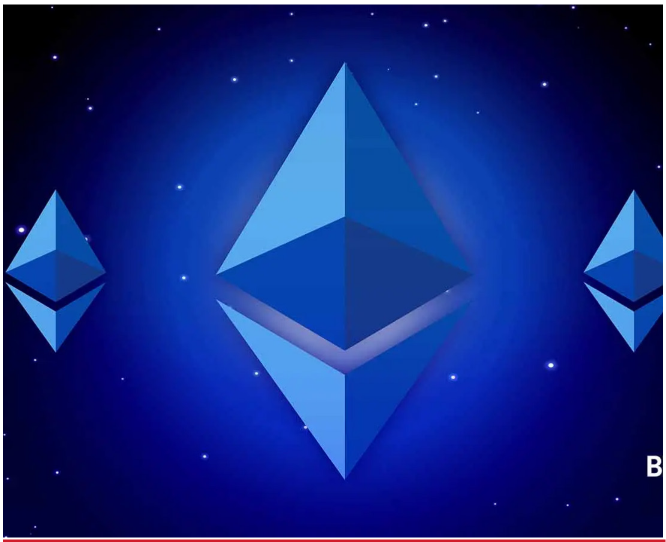

More than 50 non-crypto native companies are building on Ethereum: Galaxy

A new Galaxy report shows how non-crypto native companies are utilizing Ethereum as a crypto entryway

Let's be honest: Ethereum's not having a good time. Part of it, as I wrote yesterday, is due to the overall lack of momentum for altcoins. There's also just a lack of positive sentiment — which is unlike what we're seeing for bitcoin (even if it hovers below $100,000).

In my conversation with Amberdata's Greg Magadini, one part that was left out of yesterday's edition were his thoughts on ETH.

"The drag on ETH, in my mind, is because the value proposition of EIP-1559 creating a supply burn was made invalidated, or was invalidated once everyone started building their L2s and app chains and having all the transactions process off Ethereum and settle back to Ethereum. So then you flip from a deflationary asset to an inflationary asset. That's a fundamental reason for ETH going down," he explained.

In other words, ETH's inability to regain momentum is not directly tied to the rest of the market right now — especially not the memecoin craze.

Okay so this wasn't my most positive intro, but I actually wanted to take more of a positive look at Ethereum right now thanks to a Galaxy report from Vice President of Research Christine Kim.

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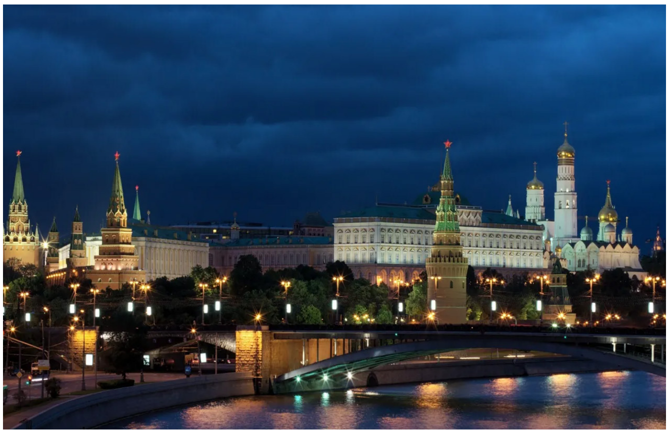
Russia's Power Grid Hit by Unauthorized Crypto Mining, Losing Over 1.3 Billion Rubles

Rosseti Group, Russia's power grid company, reported losses exceeding 1.3 billion rubles – which is worth around $14.2 million – in 2024 due to unauthorized cryptocurrency mining operations, also known as "black" mining firms.

As per a report by state-owned news agency TASS, damages were widespread across the company's electrical networks.

Illegal Mining Strains Russia's Energy Grid

The most significant impact was recorded in the North Caucasus region, which amounted to over 600 million rubles. The Novosibirsk grid suffered losses of 400 million rubles, while the Center and Volga region suffered dam-



ages amounting to 120 million rubles.

The company highlighted the largest individual case in Novosibirsk, where an operator ran approximately 3,200 mining devices, illegally drawing electricity on an industrial scale and causing an estimated loss of 197 million rubles ($2.2 million).

Rosseti stated that crypto-mining operations contribute to power grid congestion, leading to low voltage issues that can harm electrical appliances. So far, authorities have intercepted 130 instances of unauthorized power use, with more than 40 cases under criminal investigation, potentially leading to prison sentences.

While unauthorized crypto mining has drained Rosseti's resources through electricity theft, the group announced exploring.

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Crypto company sponsorships of sports teams are on the rise, from F1 and football to MMA and snooker

Partnerships between crypto companies and sports teams are on the rise, from Formula One racing team sponsorships to football, mixed martial arts, and even snooker. Crypto exchanges such as Coinbase, Gate.io, and XBO.com, stablecoin issuer Tether, and crypto-betting sites Sportsbet.io and Cloudbet have all recently signed significant partnerships with sports organizations.

2025's biggest sporting event in the United States, Super Bowl LIX, lacked significant advertising from crypto companies, which had dominated the airwaves during 2022's game.

However, crypto companies haven't lost their appetite for courting sports fans. 2025 has already seen a larger number of partnerships inked between crypto companies and sports organizations, according to the Financial Times, citing marketing agency SportQuake: 22 deals have been struck at an average value of $4.3 million so far in 2025, compared to 18 deals worth an average of $2.6 million over the same period last year.

Notable partnerships include Tether's purchase of a minority stake in Italian football team Juventus ("Juve"), valued at around $50 million. "Aligned with our strategic investment in Juve, Tether will be a pioneer in merging new technologies, such as digital assets, AI and biotech, with the well-established sports industry to drive change globally,"

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Raydium Token Dips 22% as Rumors Swirl on Pump.Fun Changes

Pump.Fun developing its own automated market maker could threaten Raydium's market dominance, Decrypt was told.

Raydium's RAY token plummeted Sunday amid speculation that meme coin launchpad Pump.fun is preparing to launch its own automated market-making system.

RAY has dropped 22% over the past 24 hours to $3.28 and is down a further 5% over the past hour, according to data from GeckoTerminal.

Pump.fun has yet to respond to Decrypt's request for comment. Raydium's representatives have not publicly addressed the situation nor returned requests for comment.

The sharp decline follows the discovery of an apparent test version of an AMM that could redirect significant trading volume away from Raydium's platform.

"Raydium has benefited significantly from Pump.fun, as graduated tokens have historically migrated to its AMM, where it charges a 0.25% fee on swaps," Min Jung, an analyst at Presto Research, told Decrypt.

An automated market maker (AMM) is a system that uses algorithms and liquidity pools to automatically set asset prices based on supply and demand, replacing traditional order books.

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Strategy's Michael Saylor hints at resuming Bitcoin buying spree

The regulatory authorThe company is progressing with its 21/21 plan to purchase more BTC following its most recent $2 billion convertible note offering.

Strategy co-founder Michael Saylor has posted a Bitcoin BTC$89,071 chart that signals more Bitcoin buying after a one-week purchase lapse.

The company completed its latest purchase on Feb. 10 by acquiring 7,633 Bitcoin, valued at over $742 million at the time. This brought Strategy's total holdings to 478,740 BTC.

According to data from SaylorTracker, Strategy's BTC stash is worth over $46 billion at the time of this writing, and the company formerly known as MicroStrategy is currently up 47.7% on its investment.

Saylor previously disclosed that the company sought to ramp up its use of "intelligent leverage" during Q1 2025 to finance more BTC purchases and create more value for Strategy's common shareholders as it continues to be the largest corporate holder of Bitcoin.

Despite concerns about the sustainability of the Bitcoin acquisition plan, large financial institutions continue to invest in the company through buying shares or fixed-income securities.

According to a Feb. 6 Securities and Exchange Commission (SEC) filing, BlackRock, the world's largest asset manager, with over $11.6 trillion in assets under management, increased its stake in Strategy to 5%.

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SEC Drops OpenSea Investigation Easing Pressure on NFT Market

The regulator's decision comes after Coinbase said the SEC will vote on a deal to abandon its enforcement case against it.

The SEC is closing its investigation into OpenSea, according to the NFT marketplace's founder and CEO. The decision is seen as positive for the cryptocurrency industry and NFT creators and comes shortly after the SEC moved to end its lawsuit against Coinbase.

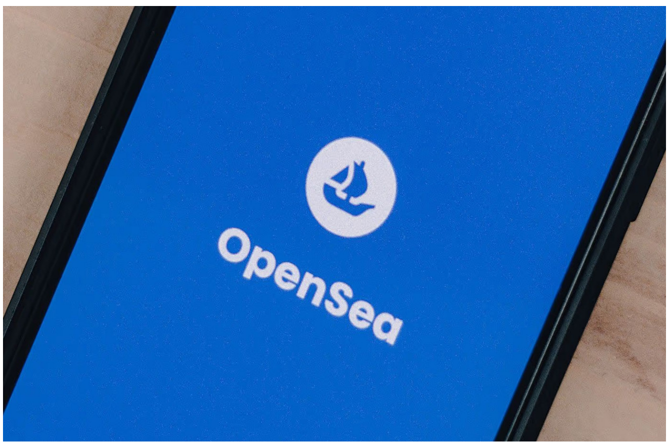
The U.S. Securities and Exchange Commission (SEC) is closing its investigation into major non-fungible token marketplace OpenSea, the platform's founder and CEO Devin Finzer said on social media.

The regulator issued a Wells notice against OpenSea in August 2024, indicating it was planning on pursuing an enforcement action against it. The regulator alleged the platform may have been operating as an unregistered securities marketplace.

The SEC's move comes as the regulator is slated to vote on a deal negotiated with Coinbase to drop its lawsuit against the exchange, which is seen as a boon for the cryptocurrency industry and NFT creators.

"This is a win for everyone who is creating and building in our space. Trying to classify NFTs as securities would have been a step backward—one that misinterprets the law and slows innovation," Finzer posted.

Reacting to Finzer's post, Chris Akhavan, chief business officer of NFT marketplace Magic Eden, suggested it was a victory for the wider cryptocurrency space.



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Pi Network's open mainnet launch causes short-lived rally for token before price crashes over 50%

Pi Network's open blockchain launch triggers rapid rise and fall in token value amid speculative frenzy.

The long-awaited launch of Pi Network's Open Mainnet triggered sharp price movements for its native token, Pi (PI), on Feb. 20, as early enthusiasm gave way to a swift sell-off.

Pi Network, which allows users to mine crypto via a mobile app without energy-intensive hardware, transitioned from a closed beta system to an open blockchain, enabling transactions beyond its ecosystem.

The shift is expected to expand the token's real-world use and increase its accessibility on external platforms. Pi Network's development team said in a statement:

"The transition to Open Network will enable Pi to connect with external networks on the Mainnet blockchain, allowing users to conduct transactions outside the Pi ecosystem."

The upgrade also paves the way for potential exchange listings and integration with decentralized applications. However, the road remains fraught with challenges due to uncertainty around the project's legality.

Following the announcement, Pi surged 45% within an hour, reaching a high of $2.10, while its trading volume spiked over 1,700% as speculation around the launch fueled a buying frenzy.

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Czech Central Bank Eyes Bitcoin? Governor Takes Step Toward BTC Reserves

The Czech National Bank is exploring bitcoin's potential as a reserve asset, with its governor emphasizing the need to adapt to evolving financial markets despite crypto risks.

Czech Central Bank Signals Bitcoin Interest—A Step Toward BTC Reserves?
Aleš Michl, governor of the Czech National Bank (CNB), renewed discussion on social media platform X last week about his proposal for a bitcoin reserve. He shared an update from the Jan. 30 CNB Bank Board meeting, where he suggested analyzing the feasibility of a BTC test portfolio. The governor detailed:

This step is motivated by a desire to learn about and try out this highly risky alternative asset. I emphasized the need to adapt to changing conditions in the financial markets and to explore new reserve management options.

While no immediate investment in bitcoin is planned, he framed the initiative as a way for the central bank to better understand digital assets and their potential role in financial markets.

In his update, Michl also reiterated his views on cryptocurrency investments, cautioning investors about the risks involved. "If you intend to invest in crypto assets, exercise extreme caution. The market is still in its infancy," he warned. Reflecting on the Czech Republic's transition to capitalism in the 1990s, he likened the current crypto market to the early days of investment funds, many of which collapsed while others thrived.

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